



May 24, 2023

The Honorable Mark Lawrence  
Chair, Energy, Utilities, & Technology Committee  
Senate Democratic Office  
3 State House Station  
Augusta, Maine 04333

The Honorable Stanley Paige Zeigler  
Chair, Energy, Utilities, & Technology Committee  
House Democratic Office  
3 State House Station  
Augusta, Maine 04333

**re: New Leaf Energy Testimony in Support of LD1986, *An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems***

Dear Chair Lawrence, Chair Zeigler, and Members of the Committee:

New Leaf Energy appreciates the opportunity to provide testimony in support of LD1986, *An Act Relating to Net Energy Billing and Distributed Solar and Energy Storage Systems*.

New Leaf Energy is a developer of solar and energy storage at both distribution and transmission scales, here in Maine and across the country. Our mission is to accelerate the transition to a world powered by renewable energy.

I support LD1986 as a member of the Distributed Generation Stakeholder Group established in 2021 by LD 936. The Governor's Energy Office commissioned a study as part of that process that found that a new and improved distributed solar and energy storage procurement program would bring \$2.77 of benefits for every \$1 of costs to Maine ratepayers. While there has been substantial debate about the costs and the benefits of the Net Energy billing program, this rigorous analysis showed that a new program that aligns with the recommendations of the DG Stakeholder Group is unequivocally a good deal for Maine ratepayers.

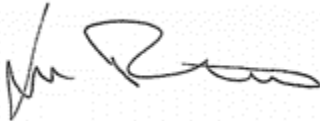
At the same time, there is currently an unprecedented level of federal funding on the table to support renewable energy development, including specific incentives for distributed solar. One important source of federal funds is the \$7 billion Greenhouse Gas Reduction Fund that the Environmental Protection Agency has been allocated to support low-income rooftop and community solar. Under this competitive grant program, Maine has an opportunity to receive over \$100 million - but it's now or never. The EPA must distribute the funds by 2024 and will open the application later this year. Maine will only have once chance to receive its share, and legislative support for a new program will be key to a successful application. This is a once-in-a-generation opportunity to leverage federal funds and ensure that the benefits of distributed solar are realized by low-income households.

We also strongly support this bill because it adjusts the cost recovery mechanism for the existing Net Energy Billing program, to ensure that we are accounting for the program's benefits as well as its costs. If approved, the recent utility filings at the Public Utilities Commission for stranded cost recovery for the NEB program would significantly overcharge Maine ratepayers by failing to account for the cost savings associated with the program, and by projecting future costs and seeking recovery for them ahead of time, without a clear idea of how many projects will actually come to fruition. The vast majority of NEB

projects larger than 1MW that are not already in construction are currently bogged down in transmission studies. Even if these studies finish in time for projects to theoretically begin construction in time to meet the 2024 deadline, and even if the costs are reasonable enough for projects to remain viable, these studies across the board are resulting in 3, 4, 5-year lead times for utility upgrades to be completed. For this reason, the majority of NEB projects currently in the queue will be unable to meet the 2024 deadline under current rules. The utilities should not be able to recover costs in advance for projects that will never come online, and LD1986 fixes this crucial issue by requiring that costs are recovered after they occur. In addition, LD1986 recognizes that adding solar on the distribution system results in cost savings for the utilities in energy, capacity, transmission, and other charges. Attempting to recover costs while only looking at one side of the balance sheet results in overcharging Maine ratepayers. LD1986 fixes this issue as well, by ensuring that cost recovery includes the savings associated with the program as well as the costs.

Thank you for the opportunity to comment in support of LD1986. This bill will enable Maine to continue making progress toward its renewable energy goals, while maximizing the opportunity to leverage federal funding, and ensuring Maine ratepayers are not overpaying for current or future distributed solar programs.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jessica Robertson', is positioned above the typed name.

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